Land Reserve Commission

2001/02
Annual Report
A New Era Update

Land Reserve Commission

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Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

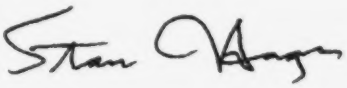
I respectfully submit herewith the annual report and financial statement for the Land Reserve Commission for the period April 1, 2001 through March 31, 2002.

Kirk Miller, Chair
Land Reserve Commission

May 31, 2002

Minister Accountability Statement

I have the honour to present herewith the annual report and financial statement for the Land Reserve Commission for the period April 1, 2001 through to March 31, 2002.



Stanley B. Hagen
Minister

May 31, 2002

BRITISH COLUMBIA

Land Reserve Commission

The past year was one of significant change for the Commission, with major strategic shifts and organizational restructuring to improve the way we preserve agricultural land. These changes are described in the "Update on *New Era* Commitments" section of this report, which also details the Commission's 2002/03 to 2004/05 Service Plan.

Among the most important changes was a decision by the Provincial government, based on Core Review, to replace the Forest Land Reserve system with a new delivery model. The transition to this new model is expected to be completed by the Spring of 2003.

While the Commission is changing the way it does business, the opportunities and challenges facing BC's agriculture industry are changing, too. For example, markets for BC products could expand as farmland becomes more scarce in competing jurisdictions with no farmland preservation programs. Even more importantly, demand for BC products will continue to grow because of their excellent reputation for high quality, safety, nutrition and affordability. BC producers are also expanding successfully to meet growing demands for organically-grown, local and other unique products, both here and around the world. Such trends may change the utilization of agricultural land (and thus the way we manage the ALR) through, for example, more intensive use of smaller agricultural lots.

Significant challenges remain. Even though BC producers will benefit from growing demand, new markets and better products, prices will continue to fluctuate. This may result in pressures on the Commission to allow subdivision of ALR land, to allow non-farm uses or even to remove land from the ALR. Population growth in the Fraser Valley, in the Okanagan Valley and on Vancouver Island creates development pressures on scarce farmland, competition for water and other demands on resources needed for farming. Mounting concerns about environmental issues will highlight the need for sustainable farming practices. The First Nation treaty settlement process may involve large areas of land in the ALR.

With significant public support for farmland preservation, the Commission is confident it will be successful in meeting the challenges and taking advantage of the opportunities that lie ahead. The strategic shifts and organizational restructuring will result in stronger partnerships with the agricultural industry, local government and our many other stakeholders.

The Commission's 28-year history has demonstrated that BC's land reserve system — adjusted and improved over time — is one of the most effective in the world in protecting the land base for agriculture. I look forward to working with our new Commissioners, our dedicated staff and the LRC's stakeholders as we continue to preserve BC's foodlands for British Columbians now and in the years to come.

Kirk Miller
Chief Executive Officer
Land Reserve Commission

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Year-at-a-Glance Highlights

Until December the Commission operated as three panels to increase regional presence and responsiveness. Each panel was responsible for two of the six regions of the province. In allocating regions to each panel efforts were made to include an urban/higher growth area and a rural/lower growth area. For example, Panel A's responsibilities included the ALR in the higher growth area of Vancouver Island and in the lower growth Kootenay region, as well as the Islands Trust. Panel B was responsible for the Lower Mainland and the North, while Panel C was responsible for the Okanagan and the Central Interior.

The LRC's Chair was a member of each panel, alternating among panels and chairing full Commission meetings.

Panel A: Vancouver Island, Kootenays and Islands Trust
Janna Bakker, Vice Chair

Regional Districts	Commission Members
Alberni-Clayoquot	Janna Bakker
Capital	Allan Hopwood
Comox-Strathcona	Wayne Nowlin
Cowichan Valley	
Nanaimo	
Mount Waddington	
Powell River	
East Kootenay	
Central Kootenay	
Kootenay-Boundary	
Areas under the Islands Trust	

Regional Activities

On Vancouver Island and in the Islands Trust areas Panel A conducted 41 site inspections. It met with 40 applicants and 5 local governments. In the Kootenays the panel conducted 31 site inspections; its members met with 20 applicants and 7 local governments. Decisions were made on 53 applications and 6 community plans for Vancouver Island and 47 applications and 3 plans for the Kootenays. The panel alternated meetings between Vancouver Island and the Kootenays, touring each area three times.

The highlights of the year included:

Vancouver Island

Meetings with the Salt Spring Agricultural Advisory Committee and the Salt Spring Trustees to resolve issues relating to a new land use bylaw for the island.

A visit to the Regional District of Mount Waddington where the panel met with regional district officials and toured areas of interest including Hyde Creek, for which a new Official Community Plan had recently been prepared.

Meetings with Comox-Strathcona Regional District to resolve issues relating to proposed industrial development in the ALR south of Campbell River.

A meeting with landowners affected by a proposed recreational trail on an old logging right-of-way in the Comox Valley.

An inspection of the Millard/Piercy Creek Watershed south of Courtenay and a meeting with the management committee to discuss issues relating to agricultural practices in riparian areas. This is an important issue in the Comox Valley.

A meeting with the Cowichan Valley Regional District to discuss a proposed recreation park involving a racetrack and other activities on land within the FLR west of Duncan.

Kootenays

A tour of the East Hill area east of Cranbrook with the city's Economic Development Officer. The area is being considered for inclusion into the city.

Several meetings with the District of Invermere to resolve issues relating to its new Official Community Plan.

Meetings with the proponent of a major resort development northeast of the Village of Radium.

A tour of the Wasa area north of Cranbrook in connection with a new land use plan.

A meeting with Kootenay-Boundary Regional District to discuss issues of mutual interest.

A meeting with Atco Lumber in Fruitvale to discuss forestry issues.

The panel was able to visit most areas during the course of the year. Powell River was the only regional district not visited. The panel was also able to increase the percentage of application sites visited and the number of meetings with applicants, both of which greatly benefited the decision-making process.

Panel B: Lower Mainland and North
Gus Horn, Vice Chair

Regional Districts	Commission Members
Fraser Valley	Gus Horn
Greater Vancouver	Christine Hunt
Sunshine Coast	Alan Mann
Northern Rockies	Ruth Vemer
Peace River	
Fraser-Fort George	
Bulkley-Nechako	
Kitimat-Stikine	
Skeena-Queen Charlotte	
Central Coast	

Regional Activities

Panel B's responsibilities included the first delegation agreement reached with local government. This agreement gave the Fraser-Fort George Regional District authority to receive and decide non-farm use and subdivision applications in the ALR within the area of any Regional District Official Community Plan. This authority applied to applications received after the signing of the agreement, provided the relevant Official Community Plan had received full endorsement by the LRC following a more thorough review than might have been the case for a plan not intended to serve as the basis for a delegation agreement.

The following were some of Panel B's activities involving this delegation agreement:

Commissioners, planning staff, Fraser-Fort George Regional District staff, electoral area representatives and members of all municipal councils and their staffs participated in a day-long Regional Growth Strategy workshop.

With respect to the Regional District of Fraser-Fort George's Willow River-Upper Fraser delegation area, the Regional Board reported that in 2001 it dealt with two ALR applications, both involving subdivision proposals that were approved by the Regional District Board.

The panel completed a new review of the proposed Chilako River-Nechako and Salmon River-Lakes Official Community Plans and offered conditional endorsement in expectation that these plans would be completed in the Summer of 2002 and become new delegation areas.

Other highlight's in Panel B's year included:

Reviewing 25 planning issues and making 17 decisions on these issues. 15 of these were in the Lower Mainland and 2 were in the North.

Making 135 decisions on ALR applications in the North and 105 decisions in the Lower Mainland including:

- #02-33819 — OSB Plant — Fort St. John — the Commission approved an application from Slocan/ Louisiana Pacific for the exclusion of 91 hectares from the ALR for the development of an oriented strand-board plant;
- #02-33657 — Ethanol Plant — Prince George — the Commission approved an application from Birchwood Plaza Ltd. for the exclusion of 49 hectares from the ALR for the development of an ethanol processing plant;

- #21-33455 — Special Waste Landfill Site — Montney — Peace River Regional District — the Commission refused an application by Encal Energy and Anadime Corporation to establish a 4-hectare special waste disposal site to handle oilfield wastes;
- #01-33641 — Inclusion — the Commission approved an application by the British Columbia Assets and Land Corporation (BCAL) to include into the ALR 11,300 hectares of Crown land in the Vanderhoof area, pursuant to a Land and Resource Management Plan;
- #01-33880 — Inclusion — the Commission approved an application by BCAL to include into the ALR 29,570 hectares of Crown land in the Fort St. James area, pursuant to a Land and Resource Management Plan.

Initiating the exclusion from the ALR of an area of land near the west end of Chilliwack Mountain following years of discussion with the City of Chilliwack. The city needed level land for general industrial development yet the land was so well-suited to agriculture that it was considered critical to province-wide agricultural land preservation. Following a suggestion included in the city's report on an adjacent industrial property, the panel initiated discussions with landowners, neighbours, the city and the Lakahahmen First Nation. Based on these discussions the panel reduced the area initially considered for exclusion. In response to a formal request from the Lakahahmen First Nation the Commission placed no restriction on the future land use of the excluded area, thus making it simpler for the city to work with First Nation land-holders to resolve land use and servicing issues.

Meeting with:

- the Councils of Pitt Meadows and New Hazelton,
- board members from the regional districts of Peace River, Bulkley-Nechako, Kitimat-Stikine and Fraser-Fort George,
- representatives from the North Peace Women's Institute,
- City of Richmond staff, who presented the nearly-completed Richmond Agricultural Viability Strategy now being used as a model by other areas across Canada, and approximately 80 applicants.

Conducting related site visits in 6 of the 10 regional districts in Panel B's area of responsibility.

Panel C: Okanagan and Central Interior
Maureen Thompson, Vice Chair

Regional Districts	Commission Members
Columbia Shuswap	Maureen Thompson
North Okanagan	James Ingram
Central Okanagan	Sid Sidhu
Okanagan Similkameen	
Cariboo	
Thompson Nicola	
Squamish Lillooet	

Regional Activities

Panel C carried out 75 site inspections and met with 15 local governments and 78 applicants in the Okanagan and Central Interior in 2001/02. It made decisions on 68 applications and 1 community plan in the Interior region and 118 applications and 5 plans in the Okanagan region.

The panel made four tours to the Okanagan and three to the Interior.

The highlights of the year included:

Penticton's OCP review which resulted in the commitment by Council to develop an Agriculture Plan.

Meeting with David Geen, a successful cherry grower in Kelowna, to discuss his concerns with the City of Kelowna's road widening plans.

Having discussions with local governments about delegating decision-making authority for subdivision and non-farm uses. The City of Merritt and the Cariboo Regional District indicated their interest in exploring delegation further.

Meeting with representatives of the BC Cattlemen's Association to discuss ranch restructuring, development rights, streamside regulations and other key issues.

Meeting with the Villages of Cache Creek and Ashcroft, the City of Merritt and the Regional District of Columbia-Shuswap. These were the panel's first meetings with these bodies since the Commission's panel format was established in April 2000.

Meeting with the Kelowna Agricultural Advisory Committee to discuss agricultural land use issues in Kelowna and the LRC's consistency with the committee's recommendations.

Meeting with applicants on-site to discuss new applications and re-consider older applications. Not every meeting resulted in a decision favourable to the applicant, but landowners expressed satisfaction that the Commission had visited their properties and heard their concerns.

The only areas not visited by the panel were the eastern and southern portions of Columbia Shuswap Regional District, and the Chilcotin.

The new panel system allowed the Commission to spend most of its meeting time in the regions with landowners and local governments, adjudicating applications and discussing land use issues with landowners, elected representatives, local government staff and farmers.

Commission Role and Services

The Land Reserve Commission is an independent Provincial agency dedicated to protecting the agricultural and forest land base to meet the current and future needs of British Columbians. The LRC's legislation regulates land use in the Agricultural Land Reserve and the Forest Land Reserve. The Commission works with various communities of interest to accommodate and support working farms and working forests on Reserve lands.

Changing Roles and Responsibilities

The ALR was established in 1973-74 based on a comprehensive review of agricultural capability and existing land use after an extensive consultation process. Since then the Commission has provided advice on land use planning to local communities, adjudicated applications for the use of land in the Agricultural Land Reserve and encouraged farming to provide a basis for a sustainable economy and a secure source of food. The ALR now comprises 4,724,204 hectares or more than 5% of the land mass of the province.

The Forest Land Commission was established in 1994 to minimize the impact of urban development and rural settlement on BC's commercial forest land base. It administers 920,000 hectares of private managed forest lands and 15 million hectares of public land designated as Forest Land Reserve. The Forest Land Commission adjudicates applications for the use of private managed forest lands and reviews proposals to add or remove private land from the FLR. Since June 1994 the Commission has considered 475 applications from landowners and others wishing to remove land from the FLR, subdivide land within the FLR, use forest lands for non-forest purposes or include land within the FLR. The Commission also advised the Minister of Forests on proposals to remove Crown land from the FLR, and administered the private forest practices regulation.

In April 2000 the Agricultural Land Commission and Forest Land Commission were merged into one Land Reserve Commission. The *Land Reserve Commission Act* granted the LRC broad discretionary powers over lands to be included into the ALR and excluded from the ALR and FLR, and determining what forest practices were appropriate on private lands within the FLR and private managed forest lands within the ALR. Last year the Commission made decisions on 526 applications and 34 land use documents pertaining to the ALR and 48 pertaining to the FLR.

The Commission was given broad powers to ensure that local plans were not in conflict with the *Agricultural Land Reserve Act* and the *Forest Land Reserve Act*. The Commission was also empowered under legislation to investigate, hold hearings, levy fines and seek court orders to ensure compliance with its orders.

Ongoing Roles and Responsibilities

The Commission administers the *Agricultural Land Reserve Act*. The statute sets out processes for land use approvals including the inclusion or removal of land from the ALR, non-farm uses and subdivisions. The *Act* is supported by the Agricultural Land Reserve Procedure Regulation, which details procedures for applications, and the Agricultural Land Reserve Subdivision and Land Use Regulation, which defines permitted land uses and subdivisions of land within the ALR.

The *Soil Conservation Act* enables the Commission and local governments to regulate the placement of fill and removal of soil within the ALR. Permits are issued by the local authority under the *SCA*, subject to the approval of the Commission.

Legislation, regulations and some operations of the Commission will be changed during the period covered by the 2002/03 - 2004/05 Service Plan to reflect the evolving core business of the Commission, and to reflect the outcome of initiatives such as de-regulation, the Administrative Justice Project and the Community Charter.

In addition to deciding on land use applications the *ALRA* empowers the Commission to review plans and bylaws of local governments and other agencies to ensure the ALR is properly identified and local policies are supportive of the ALR and farmland preservation. The *ALRA* also provides for the delegation of authority to decide non-farm use and subdivision applications to local governments or to the Chief Executive Officer of the Commission.

Since 1974 the Commission has considered approximately 34,270 applications from landowners and others wishing to remove land from the ALR, subdivide land within the ALR, use agricultural lands for non-farm purposes or include land within the ALR. Over the years applications have increased in complexity; the range of people interested in each outcome has also grown. With increased concern over environmental issues there is far more public awareness and opinion with respect to each application.

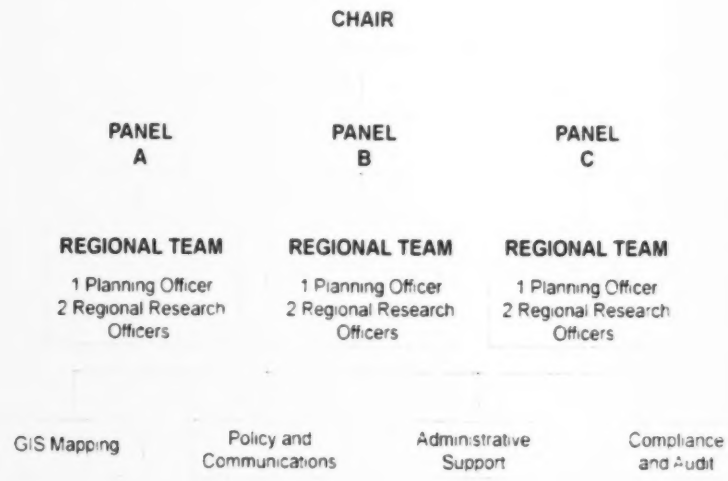
The Commission continues to refine ALR boundaries to reflect new information on the suitability of land for agriculture; to improve communications with local governments, farm organizations, landowners and the public; and to assist local governments to improve consistency with provincial agricultural objectives in their plans and bylaws.

During the fiscal year the Commission held monthly panel meetings, which will be continued in modified form in the next fiscal year. Each panel will continue to be empowered to act as the Commission and decide on applications, hold meetings with landowners and review bylaws and community plans.

Operating Segments

For greater operational responsiveness and flexibility the Commission created three panels. Table 1 shows the functional operations of the Commission.

Table 1 — Land Reserve Commission Function



The core business of the Commission is carried out through three function areas:

Strategic Planning & Corporate Policy

This encompasses the Commission's policy development role, participation in the planning and policy initiatives of other organizations (including local government plans and bylaws) and communications;

Regional Operations

This is focused primarily on the review of applications under the *Agricultural Land Reserve Act* and the *Soil Conservation Act*, compliance and enforcement; and

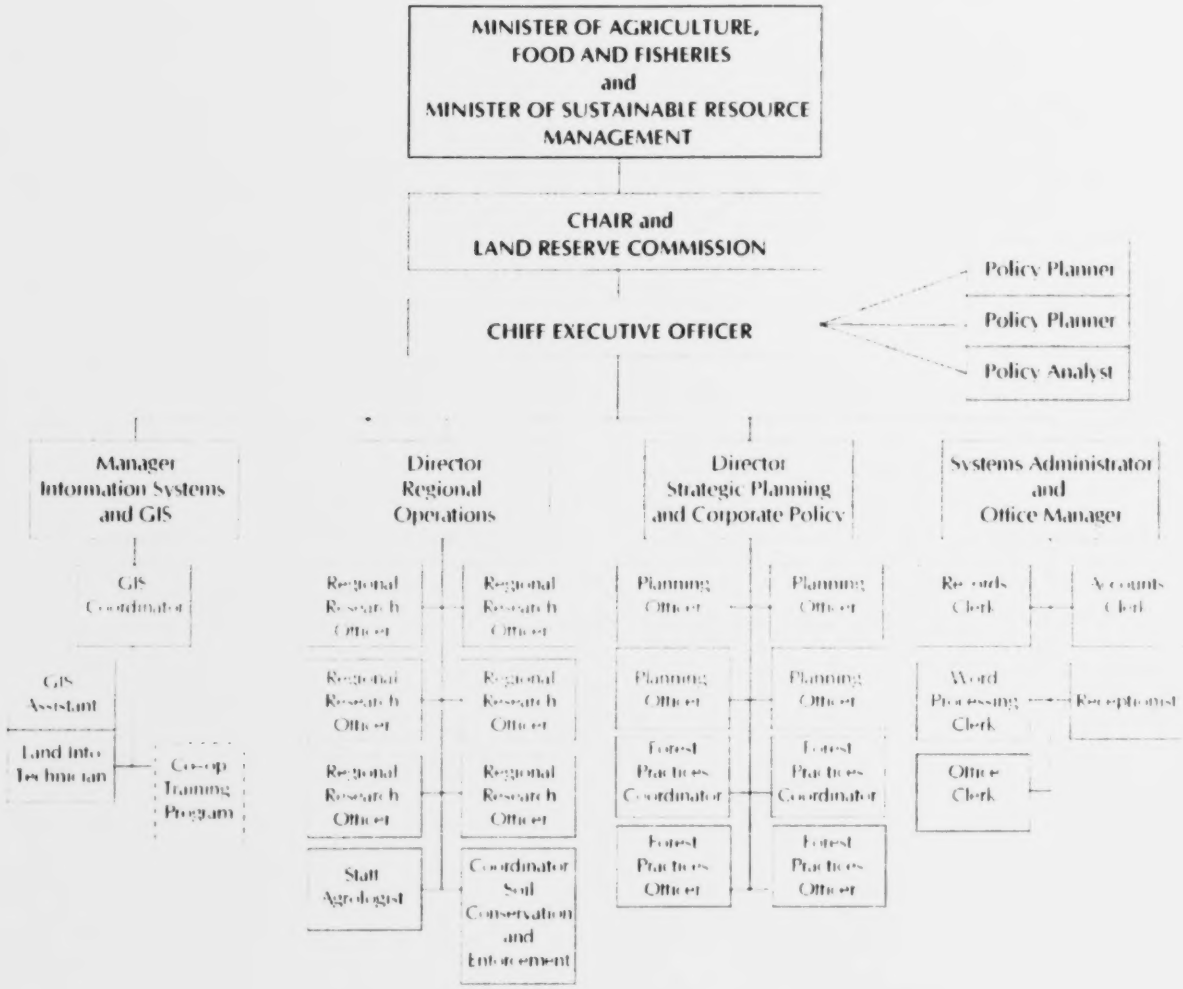
Administration & Information Systems (GIS)

This includes secretarial and administrative support as well as record management. The Commission maintains an application database used for record management and is legally obligated to maintain mapping of the ALR.

Table 2 shows the organization and staff duties for the Land Reserve Commission office.

Table 2

LAND RESERVE COMMISSION ORGANIZATION
2001/2002



The Chair of the Commission reports directly to the Minister of Sustainable Resource Management. However, on a day-to-day basis Commission staff works closely with the Ministry of Agriculture, Food and Fisheries on geographically organized agri-teams, which are designed to co-ordinate and complement the efforts of the two organizations.

Update on *New Era* Commitments

During the fiscal year the Provincial government conducted a comprehensive review of its ministries, agencies, boards and commissions to identify and confirm government's core roles and responsibilities and to determine ways of improving the delivery of services to the citizens of British Columbia.

Core Review

The Core Review of the Land Reserve Commission determined that the Agricultural Land Reserve serves a compelling public interest by protecting the land base and preserving the limited supply of agricultural land that can provide a secure and healthy food supply for current and future generations.

In order to make the LRC more effective in achieving its mandate, while making it more responsive to regional needs, during 2001/02 Cabinet announced several new directions for the ALR and the Commission:

- Regional panels of the LRC will be created with Commissioners appointed from, and representing, regions;
- Authority for subdivision/non-farm uses within the ALR will be delegated to local governments and agencies on a voluntary basis, consistent with an approved land use plan;
- The Commission will continue to be the decision-maker for ALR applications where delegation agreements are not in place;
- In all areas the LRC will retain authority over ALR boundaries and in delegated areas it will monitor local government decisions;
- There will be a results-based approach to reviewing local government plans for land in the ALR; and
- Applications to the LRC will be streamlined and additional compatible uses will be allowed in the ALR.

New Commissioners were necessary to implement these important changes. So in December the 11 former members of the LRC were replaced with an interim Commission consisting of 5 senior civil servants. The interim Commissioners began making the changes outlined above and conducted the day-to-day business of the LRC.

Eighteen new Commissioners and a new Chair will be appointed early in 2002/03. They will be assigned to 6 regional panels with three Commissioners on each. All Commissioners will be appointed from within their respective regions to ensure regional representation as well as to provide a wide range of experience, background and views.

Core Review also determined that land use regulation of private Managed Forests and non-managed forest land by the Commission was not an effective means of addressing the public interest. As a result the Forest Land Reserve will be phased out over the next year. At the same time the Provincial Working Forest Initiative, led by the Ministry of Sustainable Resource Management, will develop a science-based, principled approach to the management of BC's forest land base.

The core review determined that results-based regulation of forest practices on private lands serves a compelling public interest. To improve the effectiveness of this approach, administration of the Private Land Forest Practices Regulation will be transferred to another agency, industry or a public/private partnership over the next year.

In the interim FLR applications will be considered on their own merits, keeping in mind that the FLR land use system will be phased out. The Commission will continue to manage the Private Land Forest Practices Regulation until it is transferred to another model.

Service Plan

The Land Reserve Commission 2002/03 – 2004/05 Service Plan sets out a three-year plan for achieving Commission goals and specific objectives and for monitoring progress. It envisions an agricultural land reserve system that:

- Protects the land base needed to provide a safe and secure source of food;
- Expands economic opportunities;
- Promotes healthy communities; and
- Enhances economic, social and environmental sustainability.
- The Commission is committed to applying the following principles in achieving its goals and objectives:
- Partnership, collaboration and consultation;
- Science and knowledge;
- A comprehensive and integrated approach;
- Accountability, fairness and transparency; and
- Responsiveness.

The following describes the Goals, Objectives, Strategies & Performance Measures in the Commission's current Service Plan:

Goal 1: Ensure that the Commission is responsive, efficient and accountable.

Objectives

To increase the regional responsiveness of the Commission to community needs
To encourage collaborative governance of the ALR
To respond to applications in a timely manner
To ensure that Commission decisions are made in a transparent, fair and equitable manner
To improve the efficiency of the ALR program
To ensure that the Commission is accountable for results

Strategies:

Re-organize the Commission with 6 panels based on regions.

Develop action plans specific to regions with Provincial, local government and stakeholder input.

Work with local governments to address community needs through community planning processes.

Reduce the number of applications through voluntary delegation of non-farm and subdivision applications to local governments and other agencies and by expanding the range of permitted non-farm uses.

Develop appropriate dispute resolution mechanisms for resolving conflicts and balancing interests.

Participate in the Community Charter initiative.

Move to modified results-based processes for planning, soil deposition/removal and other activities.

Reduce regulations by streamlining the *Agricultural Land Reserve Act* and regulations and by eliminating the *Soil Conservation Act* by incorporating key provisions into *ALRA* regulations.

Set standards for application response times and monitor results using the Application Tracking System.

Revise the Commission Governance Policy to reflect the outcomes of the Administrative Justice Project.

Consult on the feasibility of increased cost recovery through a recapture charge for lands removed from the ALR.

Monitor the impact of Commission and delegated decisions on the Provincial interest in agricultural land and report results publicly.

Transfer the regulation of land use and forest practices on private land within the FLR to another agency, the industry, a public-private partnership or other model.

Performance Measures and Targets:

- Improve Commission responsiveness to the needs of local governments and stakeholders.
- Have 60% of non-farm and subdivision applications under the *Agricultural Land Reserve Act* decided by local governments and other agencies by the end of fiscal year 2004/05.
- Reduce current application load by 20% by broadening permitted uses and other regulatory reductions by the end of fiscal year 2004/05.
- Decide 80% of applications within 60 days of receipt by the Commission.

Goal 2: Protect the agricultural land base.

Objectives

Ensure that lands suitable for agriculture are retained within the ALR.

Ensure that non-farm land use and subdivision within the ALR do not significantly impact the suitability of lands for agriculture or existing agricultural operations.

Work with local governments, First Nations and other agencies to ensure the ALR is appropriately reflected in their land use plans, policies and agreements.

Strategies:

Review and decide applications for inclusion, exclusion, non-farm use and subdivision under the *Agricultural Land Reserve Act* using the best available information, including site visits and meetings with applicants where possible.

Reduce the amount of suitable agricultural land excluded from the ALR or alienated by incompatible development.

Review the agricultural suitability of lands within the ALR in response to improved information, planning reviews and land use trends.

Improve agriculture and the suitability of lands for agriculture by negotiating, where appropriate, compensating benefits for agriculture if lands are removed from the ALR, converted to a non-farm use or subdivided.

Monitor the impact on agriculture and the suitability of lands for agriculture of Commission decisions, policies and uses permitted under the Act and regulations.

Establish guidelines for Official Community Plans that address the Provincial interest in agricultural land preservation and criteria for auditing plans, as part of a modified results-based approach to planning for the ALR and as a basis for delegation.

Participate in treaty settlement negotiations that involve the selection by First Nations of lands designated ALR.

Performance Measures and Targets:

- Decide 80% of applications after a site visit.
- Compensate all exclusions of suitable agricultural land by a net benefit to agriculture or by satisfying a community need established through planning.
- Minimize the amount of land removed from the ALR for any reasons other than poor suitability or community need established through planning.
- Ensure that 80% of official community plans audited are consistent with the Provincial guidelines for agricultural land preservation.

Goal 3: Enhance the sustainable use of the agricultural land base.

Objectives

Work with local governments, First Nations and other agencies to ensure their plans, policies and activities permit and enhance the use of the ALR for agriculture.

Provide for farm and rural diversification, value-added activities and complementary non-farm uses within the ALR to support working farms and to stabilize local economies.

Strategies:

Consult with local governments, First Nations and other agencies and/or develop guidelines to ensure that their plans, policies and activities permit and encourage farm uses within the ALR and that non-farm development does not negatively impact on existing agricultural operations or agricultural potential.

Pursue collaborative governance arrangements that balance agricultural land preservation with the needs and aboriginal rights of First Nations.

Identify non-farm uses and value-added activities that can be permitted in the ALR without negative impacts on agricultural businesses or the long-term suitability of lands for agriculture.

Performance Measures and Targets:

- Percentage of plans, policies and activities of others that permit and encourage farm uses within the ALR and provide for the protection of existing agricultural businesses.
- Number of agreements entered into with First Nations respecting the ALR and treaty settlement lands.
- Increase in the number of complementary non-farm uses and value-added activities.
- Impact of non-farm uses and value-added activities on the ALR.
- Reduce current application load by 20% by broadening permitted uses and other regulatory changes by the end of fiscal year 2004/05.

Performance Reporting

As a result of the significant changes in direction arising from the Core Review, this annual report will not provide extensive performance reporting of past Commission activities. The 11 former members of the LRC were replaced with an interim Commission consisting of 5 senior civil servants in December. The interim Commission conducted the day-to-day business of the LRC, and will continue to do so until 18 new Commissioners and a Chair are appointed in 2002/03. In addition the goals, objectives and actions identified in the Commission's previous Business Plan were replaced with the current 2002/03 - 2004/05 Service Plan.

This performance report provides information on the Private Land Forest Practices Regulation and a brief description of the state of the ALR.

Private Land Forest Practices Regulation

On April 1, 2000 the Land Reserve Commission undertook a new role with the administration and enforcement of the Private Land Forest Practices Regulation (B.C. Reg. 318/99). This regulation applies to identified lands in the FLR and ALR. 2001/02 was the Commission's second year of responsibility for this legislation.

Inquiries: In 2001/02 the Commission's forest practices staff responded to 40 forest practices enquiries. These were divided as follows: Kootenays/Interior 11; South Island 19; and North Island 10. The majority of these were not significant issues or were resolved though voluntary action by the owner. Three issues were deemed significant, and are discussed further below.

Education and Training: In 2001/02 Commission staff participated in 13 training sessions with public officials, landowners and their representatives. Two of these were for Forest Service and Ministry of Environment staff; they focused on forest practices and the authority and conduct of officials.

Enforcement: In 2001/02 forest practices staff completed 3 investigations on alleged contraventions of the Regulations. One additional investigation was commenced but not completed by the end of the fiscal year. Each of the completed reports was forwarded to the CEO with the recommendation that determinations be performed. Determination hearings were held by the CEO to decide administrative penalties and remediation. These resulted in penalties totalling $47,500.

As well, the CEO ordered the remediation of 1,213 metres of stream bank and an unspecified area of roads and landings.

Audits: In 2001/02 the Commission undertook its inaugural audits under the Regulation. These reviewed landowner compliance with the legislation and the effectiveness of the legislation. Two regionally-based audits were performed on Vancouver Island and in the West Kootenays. Eight managed forests under separate ownership — 4 per region — were selected. Both audits were full scope and fieldwork was completed in October and November of 2001. Reports were presented to the Commission in February, 2002 and forwarded to landowners for comment prior to publication in the next fiscal year. At the same time an audit manual was developed and the first version was completed in 2001/02.

Core Review Commitments: Government announced this year that the Commission would no longer administer forest practices on private lands after April 1, 2003. Commission staff commenced a field level review of the functionality of the regulation with the view of making recommendations to government for improvements to the legislation.

Outreach: The Commission forest practices staff attended the Private Forest Landowners' Association annual general meeting in 2001/02. They carried out 14 visits with landowners to explain the regulations, forest practice requirements and reporting issues. Staff also organized 2 proactive forest practices reviews with landowners to encourage better forest practices.

Variance: One variance application was received during 2001/02. It was in the Kootenays. This was the first time an advisory panel was used to make recommendations. The variance was classified as "moderate" and the Commission's CEO was the statutory decision-maker. The CEO used his option to strike an advisory panel to assist him in this decision. The panel recommended partial approval of the variance request. The CEO accepted the panel's recommendation. The process worked well and those involved found it a valuable exercise.

State of the ALR

There were 4,723,517.8 hectares of land in the ALR on March 31, 2002. Figure 1 shows the amount of ALR in the six regions of the province and Figure 2 shows the amount of ALR in each of the province's 27 regional districts.

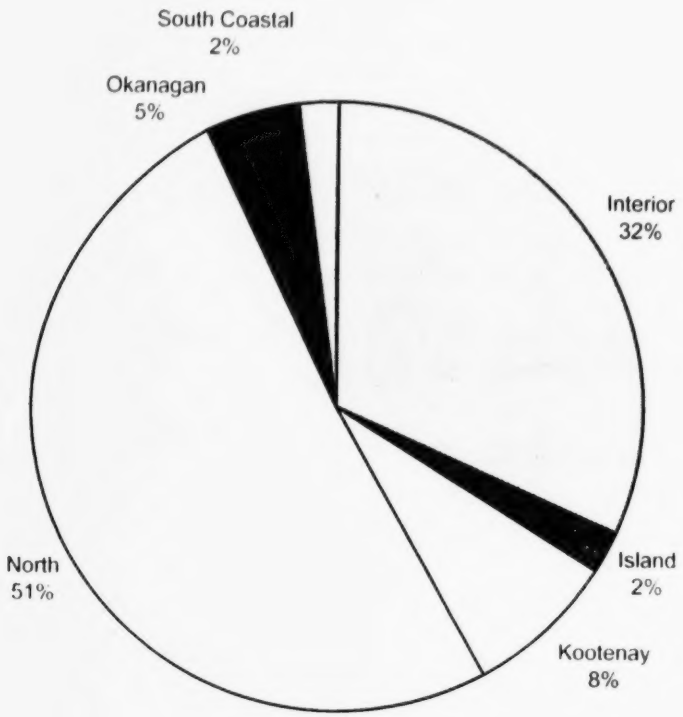


Figure 1
Amount of ALR by Region — 2001/02

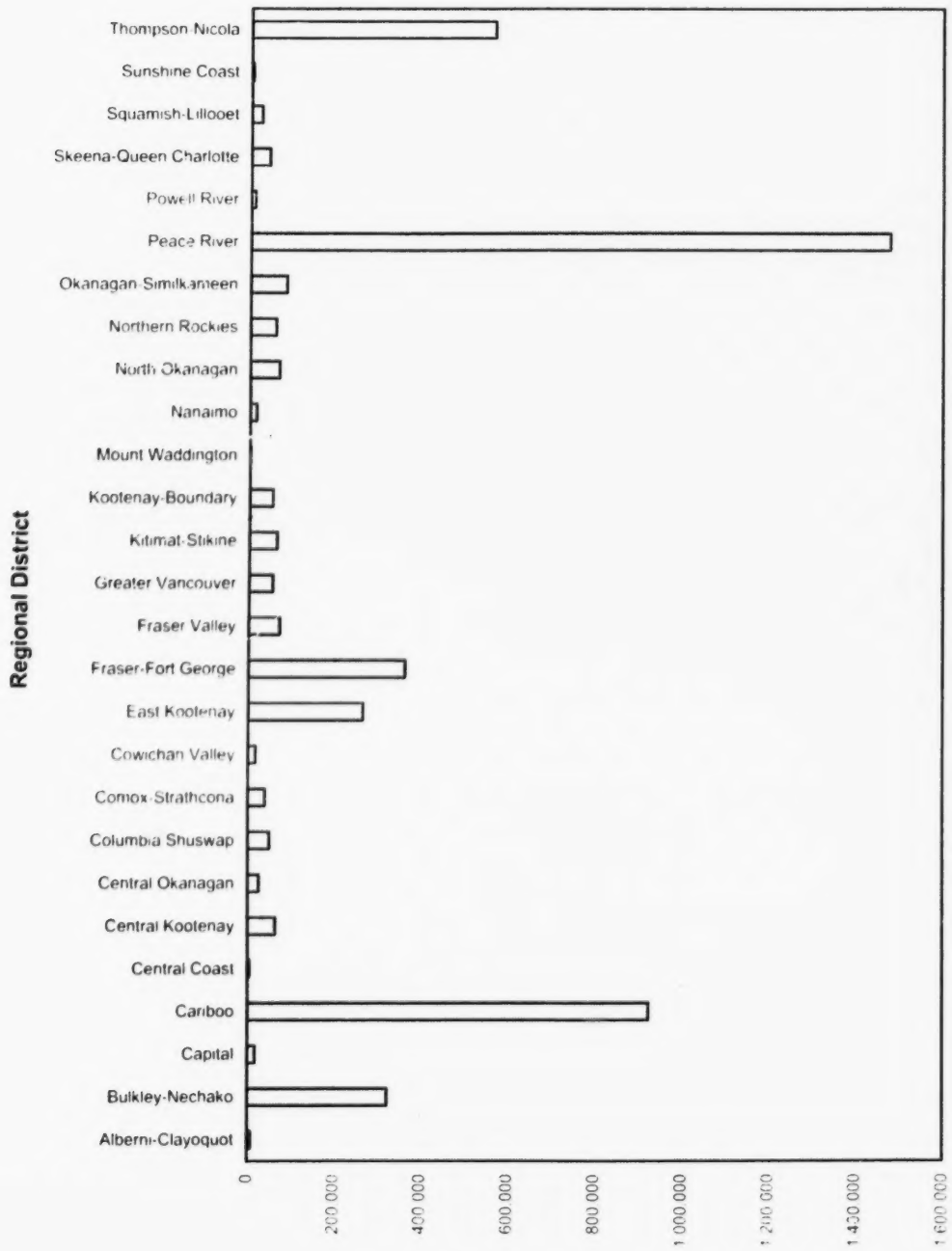
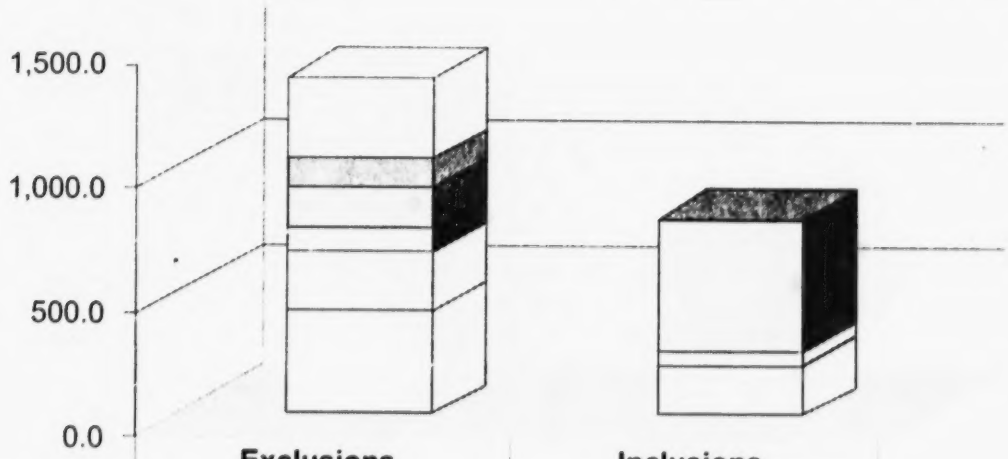


Figure 2
Amount of ALR in all Regional Districts

Regional districts with large amounts of ALR include Peace River, Cariboo, Thompson-Nicola, Fraser-George George, Bulkley-Nechako and East Kootenay. The size of the ALR changed slightly from 2000/01 with the addition of 801.3 hectares included and 1,364.3 hectares excluded. Figure 3 shows the amount of ALR land included and excluded in each region during 2001/02 and Figure 4 shows the amount of ALR land included and excluded in each regional district during the year. The largest amount of land excluded from the ALR was in the Interior and South Coastal regions, while the largest amount of land included into the ALR was in the North.



	Exclusions	Inclusions
South Coastal	321.5	0.0
Okanagan	119.5	23.1
North	171.6	529.9
Kootenay	84.9	0.0
Island	238.0	43.2
Interior	428.8	205.1

Hectares

Figure 3
ALR Inclusions and Exclusions by Region — 2001/02

Figure 4 shows ALR inclusion and exclusion applications by regional district in 2001/02. The number of applications for exclusion from the ALR far exceeds the number of applications for inclusion.

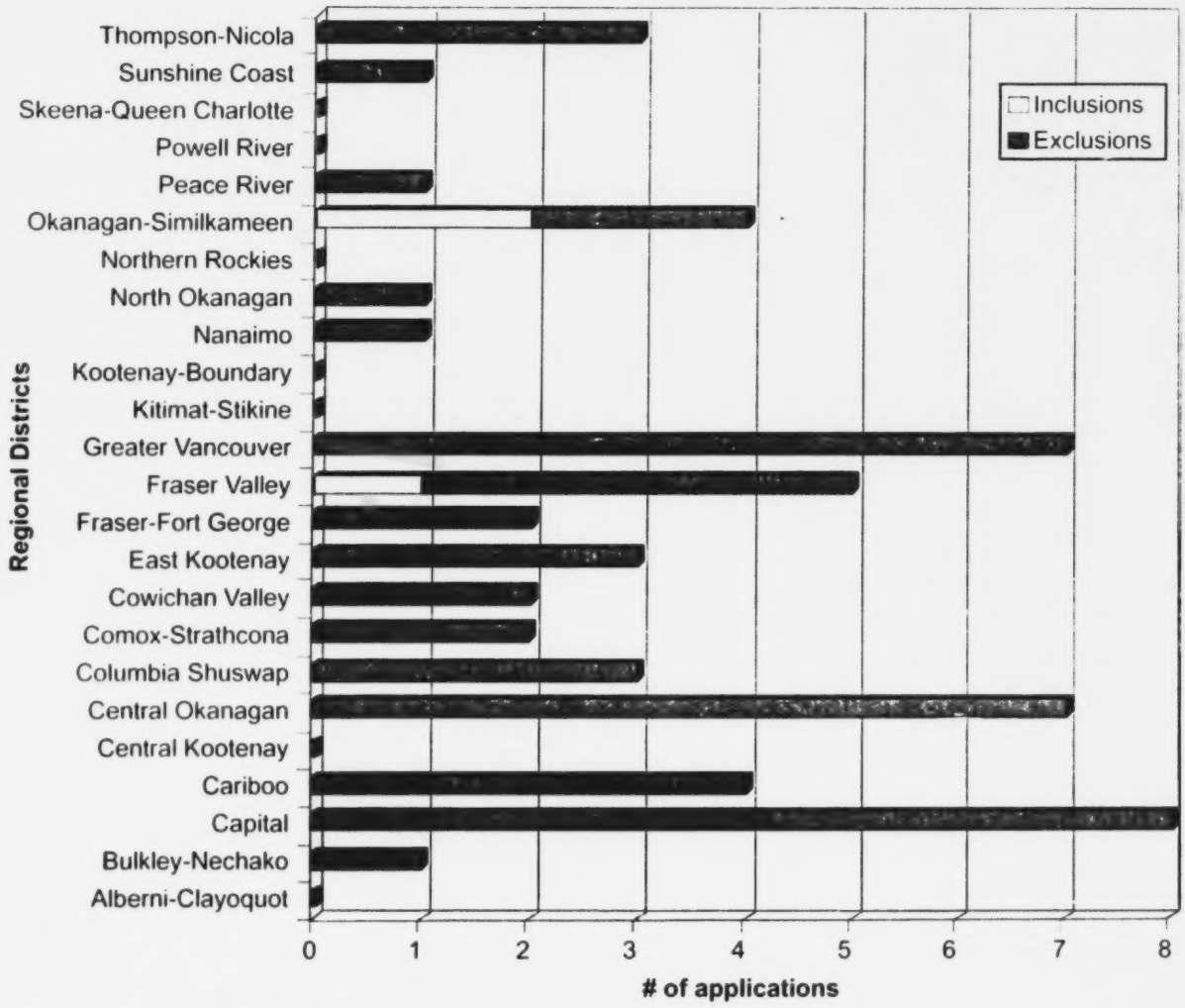


Figure 4
ALR Inclusion and Exclusion Applications by Regional District — 2001/02

There were 526 decisions made by the Commission in 2001/02. There were 450 applications received and 146 reconsiderations of previous decisions. More applications and reconsiderations were received than decisions made because some applications are received in one fiscal year but dealt with in the next.

Of the 526 decisions made in the fiscal year 15% (82 decisions) were refusals. The other 444 allowed the proposal outright, allowed it with conditions or allowed an alternate proposal with or without conditions.

Of the 101 decisions made as reconsiderations of previous decisions 75% were allowed.

In addition to applications the Commission received 55 new community plans in 2001/02 and reviewed 66 community plans, including reconsiderations. The Commission made 34 decisions on plans and of these the Commission refused to endorse only one plan while 5 were fully endorsed, 26 were endorsed with required or suggested changes and 2 were tabled.

Figure 5 compares the number of ALR applications received in each regional district in 2001/02. The largest number of applications was received from the Peace River Regional District (which has 1,477,893 hectares of ALR land) and the Greater Vancouver Regional District (with 55,674 hectares of land in the ALR). Clearly the amount of ALR does not determine the number of applications. Pressures on the ALR are linked more closely to population growth than to amount of ALR.

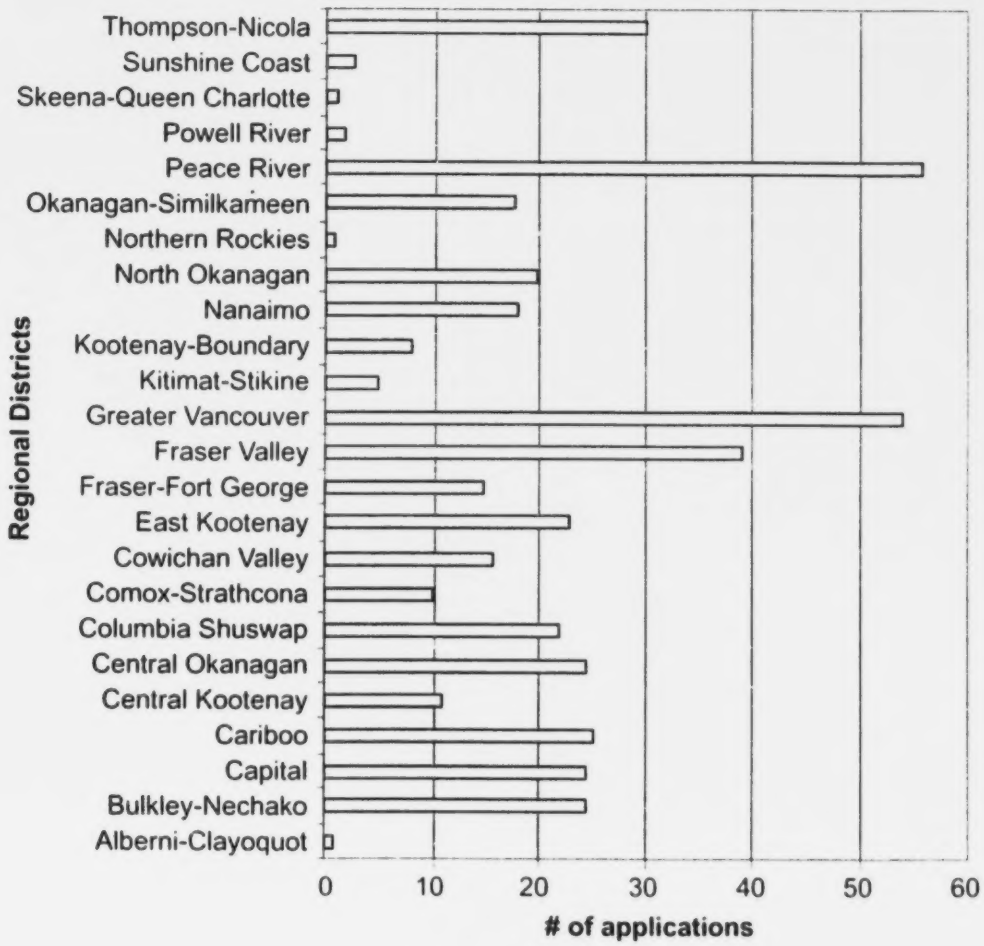


Figure 5
ALR Applications Received by Regional District — 2001/02

Figure 6 compares the number of applications approved and refused in the six regions. The largest number of applications approved were in the North, the Okanagan and South Coastal areas.

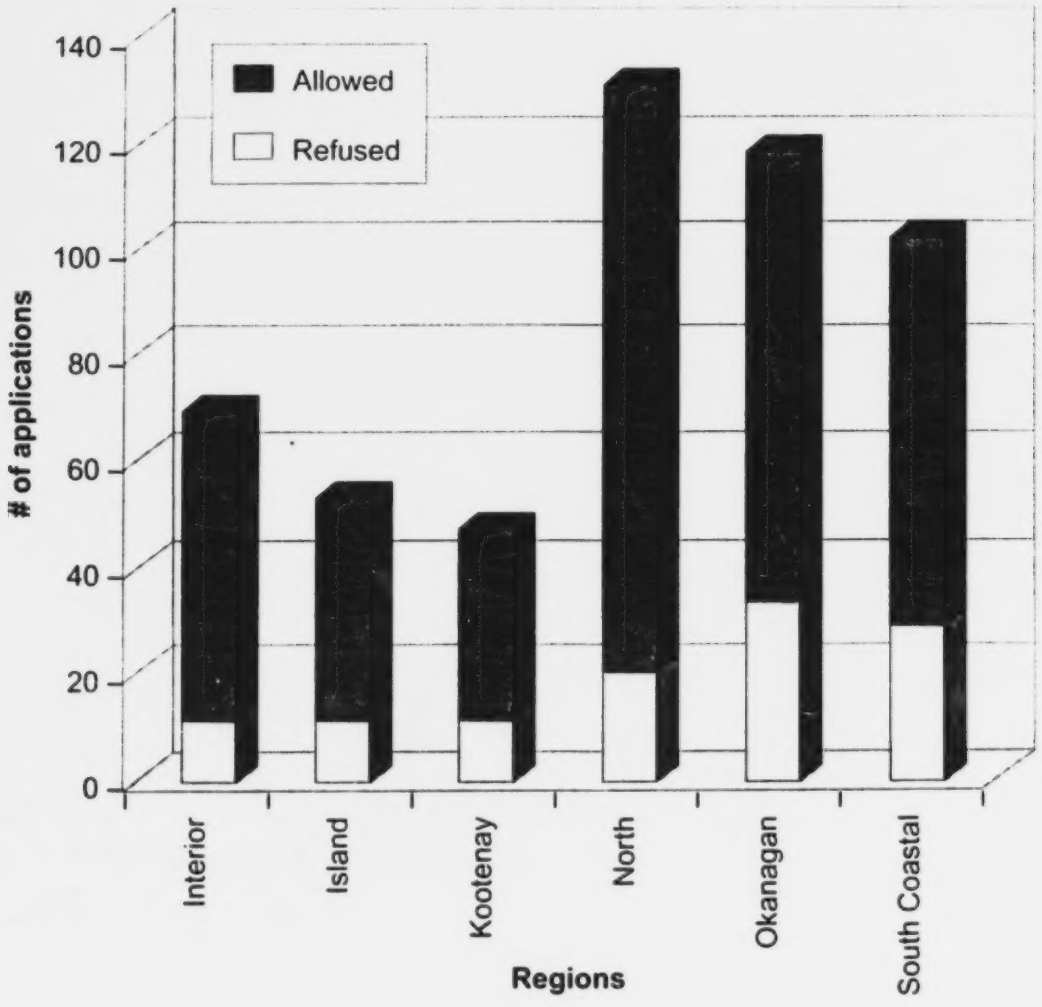


Figure 6
ALR Applications Approved/Refused by Region — 2001/02

Figure 7 compares the number of ALR applications received for subdivision and non-farm uses in each of the province's regional districts in 2001/02. The highest number of applications for subdivision and non-farm uses was in the Greater Vancouver and Fraser Valley regional districts, where population pressures are most intense. The largest number of applications received by the LRC was for subdivision of properties in the ALR. In 2001/02 it received 146 subdivision applications.

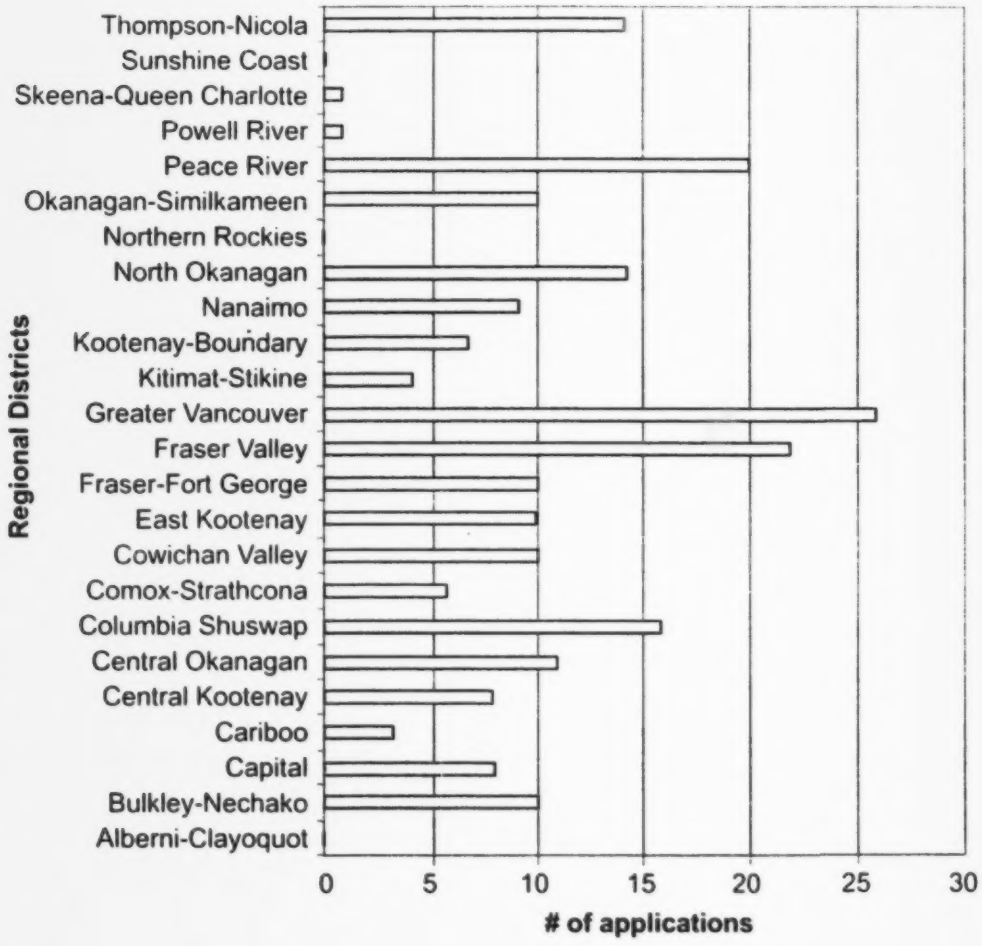


Figure 7
Subdivision and Non-Farm Use Applications by Regional District — 2001/02

The Agricultural Land Reserve's 4,723,517.8 hectares at March 31, 2002 represents a net decrease of 686 hectares since March 31, 2001 and a net increase of 2222.5 hectares since designation of the ALR in 1974. Some of this change can be attributed to improvements in GIS. Figure 8 compares the amount of ALR included and excluded since designation of the ALR.

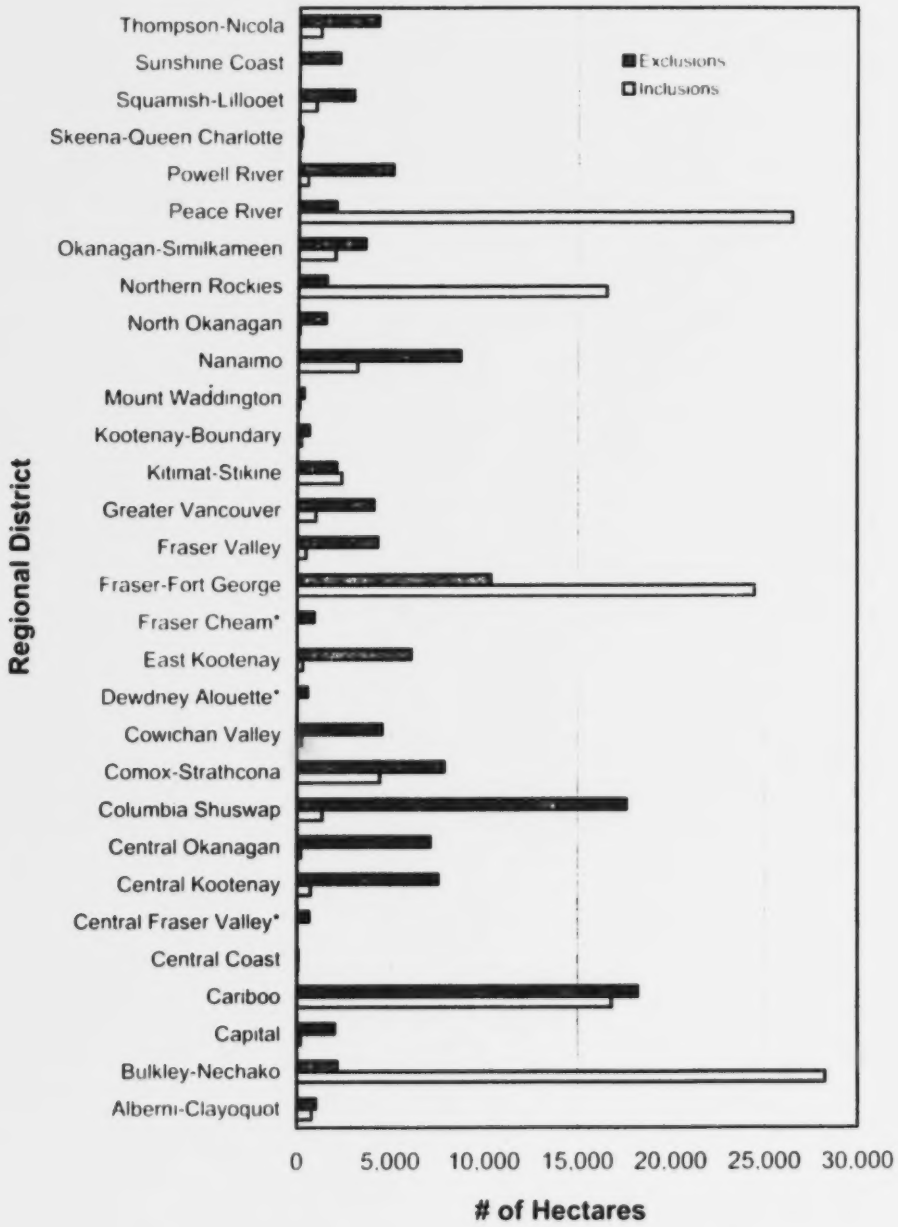


Figure 8
ALR Included and Excluded by Regional District — 1974 to 2002

In last year's annual report the Commission noted that, although the size of the ALR had increased, increases were not taking place in areas of high agricultural suitability and proximity to markets. This year's figures reinforce earlier trends showing that the majority of lands included into the ALR since 1974 are in the lower growth regions of the North. At the same time regions with the largest amount of land excluded from the ALR are in the higher growth regions in southern BC. Clearly, pressure for development in more urban areas continues to change the characteristics of the Reserve. This will continue to be considered by the Commission when making decisions on applications.

These statistics also underscore the need to gather more information in order to provide meaningful measures of the impacts of the Commission's decisions. To that end the Commission started to develop a performance assessment program in 2001/02 that will be implemented in the coming year.

State of the FLR

The *Forest Land Reserve Act* requires the Commission to report on the amount and quality of land in the FLR and the changes that occur to that land base. The FLR consists of almost 16,000,000 hectares of both private and Crown land and there were relatively few requests for additions or deletions (17) during 2001/02.

The Commission considered and made decisions on 4 applications for designation as FLR and 7 applications for removal from the FLR during the year. All applications for designation were approved, which added 228 hectares of medium quality land to the FLR. Of the applications for removal, 2 were refused and the remaining 5 were allowed, which resulted in 53 hectares being removed from the FLR. This caused in a net gain of 175 hectares during 2001/02.

The LRC received 13 applications for non-forestry use of land in the FLR. All were either allowed as requested or allowed with conditions. These uses ranged in scope from a request for the installation of cellular communications towers and equipment to seasonal recreational campsites in the FLR.

Eight subdivision applications were considered by the Commission; only 2 were refused. The 6 subdivisions approved were for such diverse projects as the provision of land for watershed protection and the legalization of long-standing recreational use on private land.

The biggest impact on the FLR will come next year as a result of Core Review. In January the Provincial government announced that the FLR program would be phased out over the following year. This will begin after the introduction of legislation in 2002/03 to remove the subdivision and land use regulation sections of the Act. This will be followed in the Spring of 2003 with the dissolution of the FLR land designation, and its evolution into the working forest initiative.

2001/02 Resource Summary

Table 3 shows the Land Reserve Commission's budget for the period April 1, 2001 to March 31, 2002.

Table 3

Description	STOB	2001/02 Budget
Salaries	50	1,766,000
Supplemental Salary Costs	51	6,000
Benefits	52	296,000
Commissioners, Fees & Expenses	55	316,000
Travel	57	133,000
Professional Services, Operational	60	266,000
Professional Services, Advisory	61	125,000
Information Systems	63	30,000
Office Business Expenses	65	60,000
Informational Advertising & Publications	67	10,000
Statutory Advertising & Publications	68	15,000
Utilities, Materials & Supplies	69	15,000
Operating Equipment & Vehicles	70	40,000
Amortization Expenses	73	
Building Occupancy Charges	75	261,000
Grants & Contributions	76, 78	20,000
Other Expenses	85	
Recoveries	89	(2,000)
TOTAL		**3,357,000**
FTE's		33

Table 4 compares 2001/02 finances with the previous 5 years.

Table 4

Year	Revenue $/ Fees and Penalties			Budget	Expenses $		
	ALC	FLC	Total	Total	ALC	FLC	Total
2001-2002			202,935	3,357,000			3,287,625
2000-2001			191,849	3,042,000			3,032,275
1999-2000	142,500	9,800	152,300	2,081,284	453,283	77,928	2,612,495
1998-1999	193,305	11,250	204,555	2,234,416	376,869	71,550	2,682,835
1997-1998	178,689	15,500	194,189	2,782,000	2,420,531	322,010	2,742,541
1996-1997	172,000	381	172,381	2,823,000	2,428,589	336,072	2,764,661

Commission Governance

Effective governance of the Commission is important because the Commission has significant regulatory powers. These powers affect individual property rights and may supersede the authority of elected local governments. Commission members are appointed by the Provincial government, rather than elected, and the Commission operates with a high degree of independence.

Landowners, the public and the government expect the Commission to govern itself in a manner that maximizes its effectiveness in fulfilling its many responsibilities. As an independent regulatory agency the Commission must make every effort to demonstrate a high level of public accountability.

The Commission adopted a Governance Policy that focuses primarily on the Commission's operations and function of overseeing management. Its purpose is to ensure that appropriate processes and standards for conduct for the Commission, its members and management are established and monitored. This policy sets out standards and processes that the Commission considers ideal for meeting its responsibilities.

The full text of the Governance Policy is available on the Commission's website www.lrc.gov.bc.ca.

Commission 2001/02

The Commission consisted of the following ten Commissioners and Chair from April 1, 2001 until December 7, 2002:

Chair of the Land Reserve Commission

Dr. Alan Chambers, Vancouver
Consultant and former professor in the management of natural resources. Previously Chair of the Agricultural Land Commission and the Forest Land Commission.

Commissioners

Janna Bakker, Langley
(Appointed as Vice-Chair of Panel A)
Professional agrologist and partner in Koch Greenhouses, a leading producer of roses and orchids.

Gus Horn, 100 Mile House
(Appointed as Vice-Chair of Panel B)
Manager of a Cariboo cattle ranch and past participant in regional Crown land use planning process.

Allen Hopwood, Courtenay
Owns a forestry business and operates two private woodlots near Courtenay. Acts as a forestry advisor.

Christine Hunt, Port Hardy
Advises First Nations interested in starting agricultural projects; former member of the Pacific Salmon Commission.

James Ingram, Slocan
Past mayor of Slocan. Operated an agricultural business in Saskatchewan where he was an independent grain farmer for 12 years.

Ajaib Mann, Surrey
An outreach/advocacy worker with the Progressive Intercultural Community Services Society; organizes social events, fundraising and *Food for Hungry* Project.

Wayne Nowlin, Cranbrook
Officer on the District Labour Council and former regional representative to the national IWA board.

Ravinder (Sid) Sidhu, Vernon
General Manager of Bella Vista Farm Market in Vernon. Received a B.Sc. in Biotechnology from King's College, London.

Maureen Thompson, Prince George
(Appointed as Vice-Chair of Panel C)
Elected member of the Regional District of Fraser-Fort George since 1990.

Ruth Veiner, Dawson Creek
A self-employed farmer producing grains and oilseeds; past board member of the National Farmers' Union.

On December 7, 2001 the government replaced the 11 former Land Reserve Commissioners with 5 senior civil servants as interim Commissioners:

Jon O'Riordan, Vice-Chair
Deputy Minister of the Ministry of Sustainable Resource Management.

Gordon Macatee
Deputy Minister of the Ministry of Agriculture, Food and Fisheries.

Kirk Miller, Chair
Chief Executive Officer of the Land Reserve Commission.

Brian Underhill
Director of Strategic Planning and Corporate Policy for the Land Reserve Commission.

Colin Fry
Director of Regional Operations for the Land Reserve Commission.